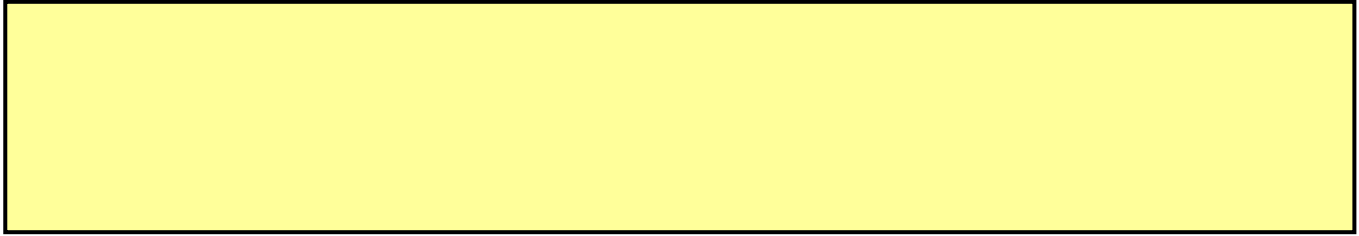


Regional Conservation Authority



Staff Contact:

**Best Best & Krieger LLP
(951) 686-1450**

Background:

The Western Riverside County MSHCP provides for the establishment of the Local Development Mitigation Fee to fund the acquisition of conservation lands within Western Riverside County. The Implementing Agreement and Implementing Mechanisms adopted by the Member Agencies require each agency to collect such fees from new development within Western Riverside County.

The generation, collection and expenditure of the Local Development Mitigation Fee is a key component to allow acquisition of the 153,000 acres of Additional Conservation Land that will complete the 500,000 acre MSHCP Conservation Area.

Section 8.0 of the MSHCP states that a variety of incentives may be offered by the Local Permittees, including waiver and/or reduction of the Fee. In some instances, such Fee “credits” may be an appropriate tool to provide incentives to developers to contribute property. RCA Staff believes it is important, however, to establish a policy for the use of Fee credits to ensure adequate funding exists for acquisition, including but not limited to review, comment and approval by RCA Staff.

Extensive discussions have occurred over the last several months between various interested parties regarding the use of fee credits and the RCA’s role, if any, in their approval and use. At this point, several different options have been suggested by these parties. These are:

1. No RCA Fee Credit policy, leaving issuance decisions solely to the Local Permittees.
2. An RCA Fee Credit policy that establishes criteria for the use of Fee Credits by the Local Permittees but does not require RCA approval. RCA staff would review and comment as appropriate on the issuance of such credits as they are proposed to the Local Permittees and submitted to RCA staff.
3. An RCA Fee Credit policy similar to Draft Resolution 04-12 submitted to the RCA Board on December 6, 2004, which gives the RCA General Manager approval power over Fee Credits in addition to establishing issuance criteria. (See attached) This policy would have an appeal process to the RCA Board for such decisions.

4. An RCA Fee Credit policy that shifts the decision making on the fee credits from the General Manager to the RCA Board. This would reflect the recommendations of the WRCOG City Manager TAC on November 18, 2004.

On February 7, 2005, the RCA Administrative Committee directed staff to meet with the WRCOG TAC and Planning Director's TAC as well as the Implementation and Administration Guidelines Committee ("IAGC") to receive input on the draft resolution. The WRCOG TAC supports Option No. 2, which is reflected in the attached draft resolution. The Planning Directors TAC had a variety of opinions on the appropriate Option and agreed to study this matter further, as did the IAGC.

Staff Recommendation:

Consideration of attached draft Resolution 05-02, which reflects Option No. 2 above. Staff recommends that if the RCA Board ultimately adopts this resolution that fee credit issuance be closely monitored for a six month period. If it appears that the use of fee credits is compromising the MSHCP or the related state and federal permits, an alternate policy be considered that reflects Options No. 3 or 4 above. Additionally, based upon TAC recommendations, staff recommends that a formal policy be drafted for the use of fee credits, expanding upon the criteria currently set forth in the draft resolution.

Attachment:

Draft Resolution No. 05-02

DRAFT

RESOLUTION NO. 05-02

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
WESTERN RIVERSIDE COUNTY REGIONAL
CONSERVATION AUTHORITY ESTABLISHING
A FEE CREDIT AND WAIVER POLICY**

WHEREAS, the Western Riverside County Regional Conservation Authority (“Authority”) is a public agency of the State of California formed by a Joint Exercise of Powers Agreement (“JPA”); and

WHEREAS, pursuant to Section 19 of the JPA, the Authority has the power to adopt such rules and regulations as the Board may deem necessary for the conduct of the Authority’s affairs; and

WHEREAS, the Authority desires to ensure a consistent and adequate flow of fee revenues to support its operations, consistent with the intent of the Western Riverside County Multiple Species Habitat Conservation Plan (“MSHCP”), the MSHCP Implementing Agreement (“IA”), and the JPA; and

WHEREAS, Sections 6.1.1 and 8.4.2 of the MSHCP allow the use of incentives to be offered to landowners and developers to fully or partially compensate them for the conservation of their lands, including waiver and/or reduction of the Local Development Mitigation Fee (“Fee”); and

WHEREAS, the Authority desires to balance the use of fee credits, waivers or reductions as an incentive for conservation against its ability to ensure adequate funding of the MSHCP.

NOW, THEREFORE, BE IT RESOLVED by the Western Riverside County Regional Conservation Authority Board of Directors:

1.0 **FEE CREDIT, WAIVER OR REDUCTION PROCESS.** When a Member Agency receives a request for a fee credit, waiver or reduction (“Fee Credit”) or proposes a Fee Credit, such request shall be considered based on all relevant information concerning the project, including but not limited to: 1) the need for the property for conservation (“Conservation Land”); 2) the overall revenue requirements of the MSHCP; 3) whether the proposed Fee Credit is reasonable in light of the appraised value of the Conservation Land; 4) the extent to which the Conservation Land is needed to complete the MSHCP Conservation Area; and 5) whether the Conservation Land is of a size, configuration and location such that that it can be managed as part of the MSHCP Conservation Area. Fee Credits shall not be approved for property that could not otherwise be developed or has significant development constraints as identified in the appropriate Member Agency’s general plan, zoning ordinance, governing land use documents and/or relevant local, state or federal law.

In the event that a Fee Credit is approved by a Member Agency, the Conservation Land shall be conveyed in fee to the Authority prior to issuance of a grading permit for the project. The Conservation Land shall be free of encumbrances that could adversely impact the Authority’s ability to manage the Conservation Land. Each Member Agency

shall submit a monthly report to the Authority of all approved Fee Credits. Authority staff shall be available to assist Member Agencies in their consideration of any Fee Credit proposals.

- 2.0 AUTHORITY GENERAL MANAGER REVIEW AND COMMENT. When a Member Agency receives a request for a Fee Credit or proposes a Fee Credit, such request shall be submitted to the Authority's general manager ("General Manager"). The General Manager shall review the request and comment as appropriate. This request shall include all relevant documentation related to the project, including project description, map, criteria cells, if any, designation of land proposed for conservation and an appraisal prepared pursuant to Section 6.1.1 of the MSHCP. The Member Agency shall also identify in the materials submitted to the General Manager other potential incentives set forth in Section 6.1 of the MSHCP and explain why they are not being utilized for the project instead of a Fee Credit.

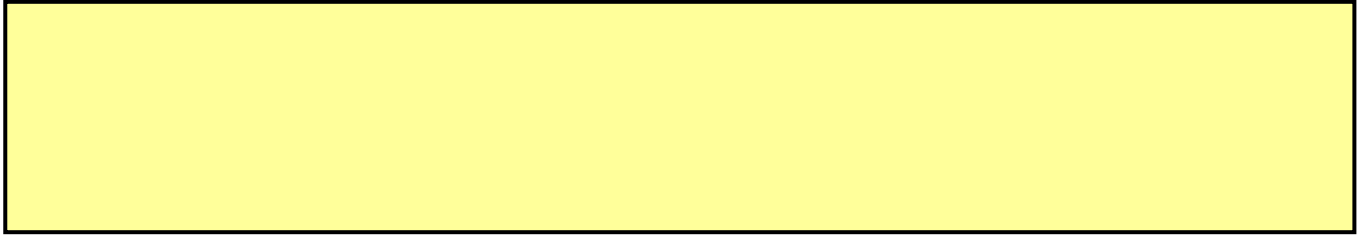
The General Manager may consult with the Board of Directors, the Funding Coordination Committee ("FCC") or any other body prior to commenting on the Fee Credit request. However, the General Manager shall complete his/her review and comment, if any no later than the conclusion of the Joint Review Process pursuant to Section 6.6.2 of the MSHCP. The General Manager shall provide monthly reports to the Board of Directors of all approved Fee Credits.

PASSED AND ADOPTED at the regular meeting of the Board of Directors at the Western Riverside County Regional Conservation Authority held this __ day of _____, 2005.

By: _____
Robin Lowe, Chairman
Western Riverside County
Regional Conservation Authority

ATTEST:

By: _____
Honey Bernas, Clerk
Western Riverside County
Regional Conservation Authority

Regional Conservation Authority**Staff Contact:****Ron Rempel, General Manager
(951) 955-2852****Background:****A. Creation of RCA Administrative Unit**

As directed by the Chair, the General Manager and Executive Director have identified an organizational structure for the RCA which creates a cohesive team for carrying out the RCA's day-to-day business and which also provides for the Executive Director to have the primary role in directing the financial unit of the RCA. The structure proposed by the Executive Director and the General Manager creates a three position administrative unit of RCA employees which would take policy direction from the Executive Director and which would work closely with the RCA's Operations Manager who would report to the RCA General Manager. This administrative unit would be co-located with the other RCA staff to help ensure overall collaboration amongst the various functions of the RCA.

This administrative unit would include a supervisory position and two technical positions, one focused on budgets and accounting and one on accounts payable and receivable. Overall, this unit would be responsible for those functions of the RCA associated with its finances which include, but are not limited to:

- Budget preparation and tracking
- Fee remittance and other receivables
- Accounting
- Payment of bills and invoices
- Payment of Board expenses
- FPPA filings
- Payroll and associated responsibilities
- Financial reports including those required by the state and federal permits
- Insurance
- Contracts

The attached organizational chart depicts the proposed organizational structure. The estimated FY 05/06 personnel costs for the organizational structure on the attached organizational chart broken down by major categories is:

Program Administration-	\$2,200,000
Monitoring Program-	\$ 960,000
Land Acquisition (personnel only) -	\$ 350,000
Total-	\$3,510,000

The current year budget for these activities is approximately \$4,510,000

The General Manager and the Executive Director request approval from the Administrative Committee to move forward with developing a detailed budget, duty statements and associated documents in preparation for bringing forward a proposal to the Administrative Committee and the Board. A completed package for the attached RCA organizational structure would be presented for consideration in May.

B. Negotiation of Interim Contracts

In addition, the General Manager and the Executive Director request authorization for the Executive Director to execute contracts with individuals or organizations approved by the General Manager to assist in the interim operation of the RCA and to assist in the development of the needed elements to bring the proposed organizational structure before the Committee and the Board for consideration. These contracts would provide for individuals or organizations to perform the responsibilities of the Operations Manager, Revenue and Accounting Manager, Biological Program Manager/Environmental Biologist and Geographic Information System Analyst. The contracts would be based on an hourly rate negotiated by the General Manager and a not to exceed contract amount. The not to exceed amount for the contract positions would be:

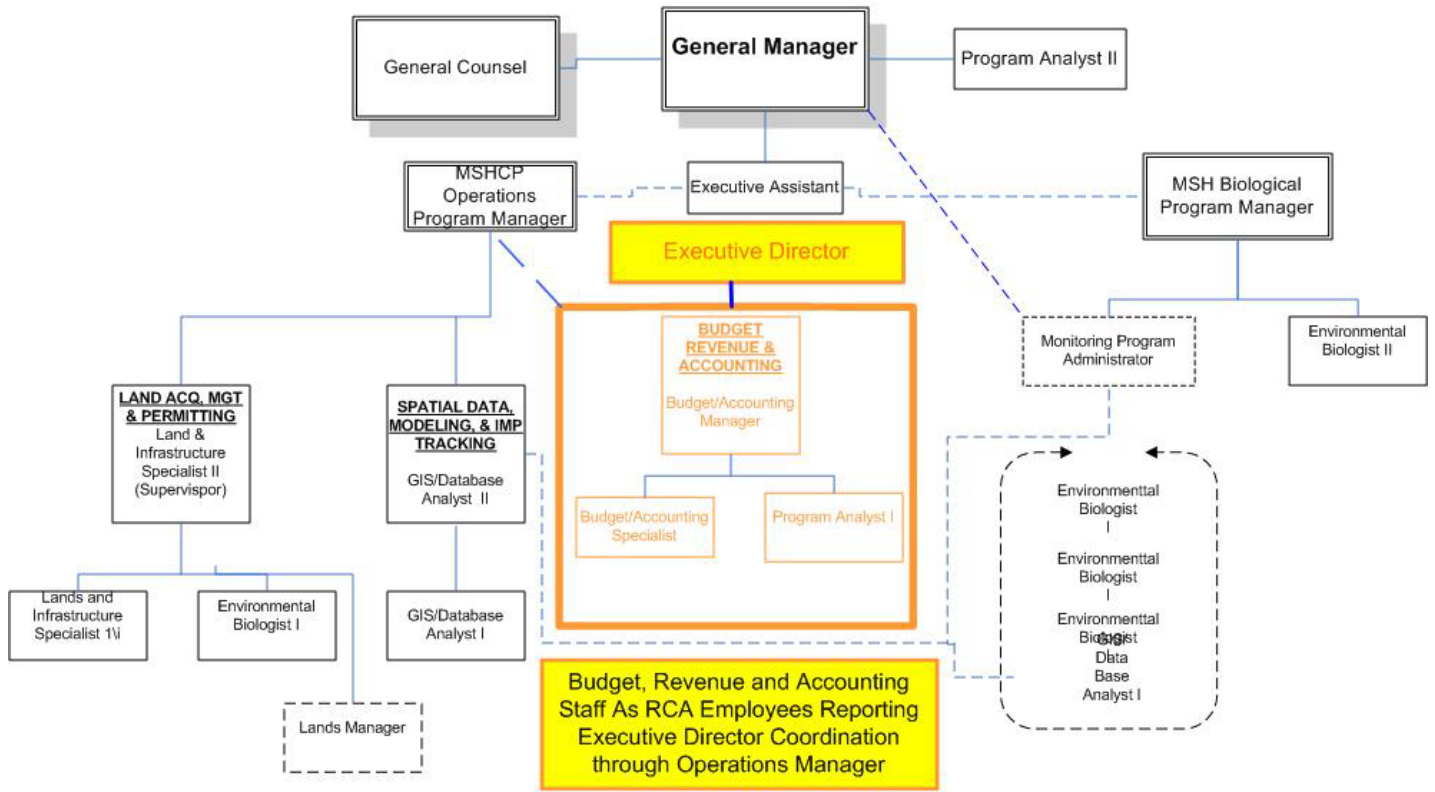
Operations Manager - \$75,000
Revenue and Accounting Manager - \$75,000
Biological Program Manager/Environmental Biologist - \$75,000
GIS Analyst - \$75,000

The hourly rates for these contracts could not exceed the hourly rate of \$95/hour. This is the hourly rate in the current WRCOG contract for the RCA's Government Relations Director.

Attachment:

Organizational Chart

Western Riverside County Regional Conservation Authority



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Regional Conservation Authority

Monthly Financial Report

Staff Contact:

**Ron Rempel, RCA General Manager
(951) 955-2852**

Background:

See attached monthly financial reports.

Staff Recommendation:

Receive and file

Attachments:

1. Expense and Revenue Report
2. RCA Net MSHCP Mitigation Fee Collections by Member Agency

REGIONAL CONSERVATION AUTHORITY

**FY 2004 / 05 YEAR TO DATE BUDGETED VERSUS ACTUAL EXPENSES AND REVENUES
AS OF JANUARY 2005**

PREPARED BY: Ellen Laney (56625)

		OPERATIONS - 935200			LAND ACQUISITION - 935201		
	REVENUE / APPROPRIATIONS	APPROVED BUDGET FY 04/05	ACTUAL EXPEND / REV YEAR TO DATE	% OF BUDGET	APPROVED BUDGET FY 04/05	ACTUAL EXPEND / REV YEAR TO DATE	% OF BUDGET
	REVENUE						
I	Development Fees MSHCP	2,995,075	2,041,579	68.16%	21,286,925	5,464,940	25.67%
II	Contribution From Other Funds <i>HCF landfill fees 1500000</i>	1,500,000		0.00%	0		
III	Interest Income	0	5,734				
	TOTAL DEPARTMENTAL REVENUE						
	GRAND TOTAL REVENUE	4,495,075	2,047,313	68.16%	21,286,925	5,464,940	25.67%
	APPROPRIATIONS						
Category	APPROPRIATION CODE 2 SUPPLY/SERVICES						
A	Training, Office Supplies, Computer Equipment, Software, Insurance	116,980	55,307	47.28%			
B	Travel, Mileage, Accomodations <i>Sacramento 12 trips 1 night 2 persons Washington DC 2 trips 5 nights 3 persons</i>	79,850	1,335	1.67%			
C	Special Agency - Contracts <i>Parks, EDA, WRCOG, Ag Commissioner BBK, CDFG, Patricia Lock Dawson</i>	2,937,000	271,877	9.26%			
D	Professional services - Other <i>Ellen Laney - Accounting</i>	17,500	6,105	34.89%			
E	Special Agency - Labor <i>11.3 County positions</i>	1,128,745	359,838	31.88%			
F	County Counsel <i>Karin Watts-Bazan</i>	50,000	6,260	12.52%			
G	GIS Services <i>Mapped products</i>	150,000	0	0.00%			
H	EFS Processing <i>County Auditor/Controller - Treasurer</i>	15,000	0	0.00%			
	APPROPRIATION CODE 2 TOTAL	4,495,075	700,722	15.59%			
Category	APPROPRIATION CODE 4 LAND ACQUISITION						
J	Land	0	0	0.00%	21,286,925	500,000	2.35%
	APPROPRIATION CODE 4 TOTAL	0	0	0.00%	21,286,925	0	2.35%
	TOTAL OPERATING EXPENDITURES	4,495,075	700,722	15.59%	21,286,925	0	0.00%
	NET OPERATING POSITION	0	1,346,591		0	5,464,940	

Balance of Fund 51630 as of January 31, 2005

6,211,706

Note: In February 2005 \$935,391 of mitigation fees collected by the County of Riverside will be transferred from 935200 to 935201 Rev code 777170.

REGIONAL CONSERVATION AUTHORITY
NET MSHCP MITIGATION FEE COLLECTIONS BY MEMBER AGENCY
FY 2004/05

	JULY 2004	AUGUST 2004	SEPTEMBER 2004	OCTOBER 2004	NOVEMBER 2004	DECEMBER 2004	JANUARY 2005	FEBRUARY 2005	MARCH 2005	APRIL 2005	MAY 2005	JUNE 2005	TOTALS	PERCENT OF TOTAL
CITY OF BANNING	\$0.00	\$0.00	\$0.00	\$0.00	\$13,208.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$13,208.00	0.18%
CITY OF BEAUMONT	\$0.00	\$0.00	\$0.00	\$0.00	\$36,322.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$36,322.00	0.48%
CITY OF CALIMESA	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
CITY OF CANYON LAKE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
CITY OF CORONA	\$0.00	\$0.00	\$0.00	\$0.00	\$129,020.99	\$16,452.80	\$341,992.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$487,465.79	6.49%
CITY OF HEMET	\$0.00	\$0.00	\$0.00	\$75,773.40	\$0.00	\$48,116.60	\$18,161.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$142,051.00	1.89%
CITY OF LAKE ELSINOR	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
CITY OF MORENO VALL	\$0.00	\$0.00	\$0.00	\$0.00	\$983,996.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$983,996.00	13.11%
CITY OF MURRIETA	\$0.00	\$0.00	\$0.00	\$230,850.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$230,850.00	3.08%
CITY OF NORCO	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
CITY OF PERRIS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$224,536.00	\$209,677.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$434,213.00	5.78%
CITY OF RIVERSIDE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$480,489.28	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$480,489.28	6.40%
CITY OF SAN JACINTO	\$0.00	\$0.00	\$0.00	\$0.00	\$196,667.60	\$565,031.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$761,698.60	10.15%
CITY OF TEMECULA	\$0.00	\$0.00	\$0.00	\$0.00	\$17,177.00	\$4,953.00	\$8,255.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$30,385.00	0.40%
COUNTY OF RIVERSIDE	\$437,619.00	\$320,725.00	\$477,917.00	\$492,295.00	\$484,058.00	\$592,767.00	\$1,100,460.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,905,841.00	52.03%
TOTALS	\$437,619.00	\$320,725.00	\$477,917.00	\$798,918.40	\$1,860,449.59	\$1,932,345.68	\$1,678,545.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$7,506,519.67	100.00%